Skills-based Talent Practices

Workforce Matters
20 October 2023
Today’s discussion

Introducing JFF
Who we are and how we support employers implementing skills-based talent practices

The state of the field
Why skills-based talent practices are so important, yet so challenging to implement

Unlocking impact
How funders can advance skills-based talent practices
Jobs for the Future drives transformation of the U.S. education and workforce systems to achieve equitable economic advancement for all.
Our work is motivated by a clear—and ambitious—goal.

Our Vision

In 10 years, **75 million** people who face systemic barriers to advancement will work in quality jobs.
Mobilizing private employers to adopt skills-based talent practices is essential to achieve our vision

Our definition of “people facing systemic barriers to advancement” includes people whose highest level of education attained is less than a 4-year degree, accounting for...

- ...of the US workforce overall: 60%
- ...of Latine workers: 83%
- ...of Black workers: 76%

Sources: US Census Bureau, JFF
We work with employers to adopt a skills-first approach

We have worked with over 100 employers to shift policies, practices, and mindsets. We do that through:

- Shifting narratives, policies, technologies, and behaviors to facilitate more skills-based talent practices
- Convening Communities of Practice for business leaders adopting skills-based talent practices
- Providing individual and group technical assistance to employers implementing skills-based talent practices
Tyson Foods sought to boost employee advancement and engagement by augmenting in-plant education.

**Tyson Foods brought us on board to design an education program for frontline employees to feel more engaged in their work and acquire skills required for in-demand roles**

Through in-depth interviews with Tyson training leads and insights from adult education experts, we mapped competencies and designed career pathways for production-line workers to fill more advanced roles within plants.

We piloted this program with Tyson Foods and 11 initial partner colleges.
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Yesterday’s talent practices can’t meet tomorrow’s business needs

To remain relevant and competitive, companies must be:

**Agile**
Successful companies must rapidly address new challenges (e.g., pivoting operations and strategy during COVID) and seize new opportunities (e.g., effectively using AI)

**Inclusively Thriving**
Companies who create opportunities for workers to advance experience higher employee satisfaction and retention, with 63% of employees leaving their jobs in 2021 due to lack of advancement opportunities

**Financially Prudent**
The cost to replace an employee is 50%-200% of their annual salary and upskilling to fill roles is 70-92% the cost of hiring a new employee

**Diverse**
Companies with diverse leadership are 45% likelier to grow market share and 70% more likely to enter new markets and 25-36% more profitable than peer companies with more homogeneous leadership
We are in an increasingly skills-based talent economy

Conventional talent practices

• Expect individuals to bring skills required for today’s business needs
• Tend to be backwards looking (e.g., what a individual has done vs what can they can do)
• Often look to meet new talent needs with external hires
• Rely on fixed requirements such as college degrees, which preclude 60% of the U.S. workforce from applying. Exclusion rates are even higher for Black (76%), rural (81%), and Latine (83%) workers

Skills-first talent practices

• Prepare for future business needs and actively enable workers to build skills needed for future success
• Focus on an individual’s current and future potential
• Cultivate internal talent to be able to fill future needs and prioritize internal mobility
• Recognize that individuals from a range of backgrounds can gain skills in a variety of ways and at different paces

Sources: US Census Bureau
Companies are taking action

“Millions of new jobs being added to the U.S. economy remain out of reach for people without traditional four-year college degrees. Specifically, 76% of Black talent age 25 and above in the workforce are without a four-year degree, further perpetuating a wealth gap that has existed for far too long. As business leaders, it’s up to each of us to ensure we’re not leaving talent behind as we move forward.”

-Ed Bastian, CEO

“Delta has removed degree requirements for pilots in January 2022.

“Walmart has committed to invest $1 billion in career-driven training and development by 2026, while Walmart.org has made over $140 million in philanthropic investments over the last five years to build skills-based systems beyond the company. We share a goal: creating a world where all learning counts.”

-Lorraine Stomski, Senior Vice President, Associate Learning & Leadership

-Julie Gehrki, Vice President, Philanthropy

Delta

Walmart

Vistra

Meets with hiring managers before and after a hire to discuss skills-first practices

“We’ve incorporated training around this into our “leadership essentials” training and our hiring manager training. The goal was always to make skills a core part of our culture, and we’re doing what it takes to make that happen.”

-Annette Underwood, Vice President and Chief Diversity Officer

Now offers 25 short-form certificates for in-demand skills

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However, change is hard

Common challenges to advancing skills-based talent practices

**Culture**
Shifting culture to authentically recognize all pathways to obtaining skills is difficult

**Systems and Technology**
Legacy talent systems were not built upon skills. Advancements are occurring, but reorienting systems and processes is complex and time consuming

**Data and metrics**
Internal data about employee skills is often incomplete and external benchmarks are nearly nonexistent

**Getting started**
With so many potential skills-first interventions to take, thousands of roles to consider, and market-specific challenges, just knowing how to take a first step can be a challenge
Intent matters more than ever

Fewer Job Posts Now Require Degrees. How Has That Changed Hiring?
“Accommodation and food service hires without professional degrees have grown 11% faster than those with them — a number that’s dwarfed by the 354% faster increase in job posts”

Skills-Based Hiring Alone Won’t Advance Racial Equity
“A skills-only approach could limit Black workers to midlevel jobs”

A ‘Skills And’ Approach Can Support Workers in Pursuit of Quality Jobs
“Skills alone are not enough to ensure economic advancement for all of America’s workers.”

Michael Collins, Vice President, Center for Racial Economic Equity, JFF
Tameshia Bridges Manfield, Vice President, Workforce & Regional Economies, JFF
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There are major opportunities to shift employer practice

**Research and case-making**
Investing research to complement high level case making and individual success stories with a robust set of data-backed proof points

**Coaching and direct support**
Providing employers (particularly smaller ones) with access to subject matter experts as well as additional capacity to identify and make shifts

**Access to resources**
Increasing access to guides, frameworks, trainings, and other supports

**Community building**
Creating spaces for senior and middle managers to learn from and support each other

Organizations supporting employers in adopting skills-based talent practices

- Business Roundtable
- GRADS of LIFE
- JFF
- ONETEN
- Opportunity @Work
- SHRM Foundation
- TALENT REWIRE
- U.S. Chamber of Commerce
System shifts are also critical

Digital infrastructure
Building a system that enables interoperable Learning and Employment Records (LERs) from all sources

Policy changes
Changing federal and local policies to eliminate barriers to and increase adoption of skills-based talent practices

Whole person supports
Provision of a suite of resources (e.g., childcare, transportation) that enable employee success

Credential value signaling
Helping learners, educators, and employers understand the relative value and quality of various non-degree credentials

Educator-employer alignment
Aligning educator programs and curricula to provide the skills employers need

Cultural shifts
Increasing familiarity among students, parents, educators, workforce organizations with the value of skills-based talent practices